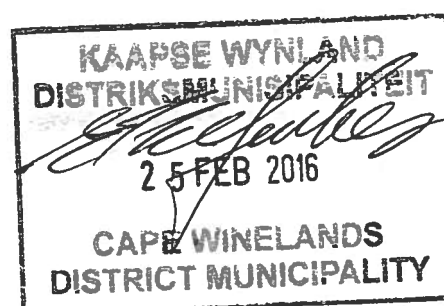


ANNEXURE "A"

MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK FOR THE FINANCIAL PERIOD 2016/2017
TO 2018/2019



CAPE WINELANDS DISTRICT MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE
FINANCIAL PERIOD 2016/2017 TO 2018/2019



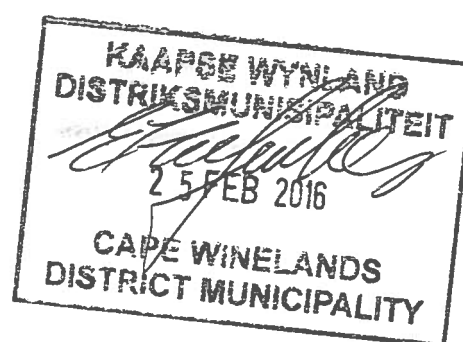
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PART 1

A: MAYORS REPORT

In preparing this budget, the input of all communities and stakeholders in the area of the Cape Winelands District Municipality, was taken into account as required by Chapter 5 of the Local Government Municipal Systems Act. Strategic alignment of the Cape Wineland IDP with the National Development Plan, Provincial strategic objectives, as well as the (Act no 32 of 2000), Cape 2040 vision guided us in the allocation of our available resources to achieve our goals in reducing poverty, unemployment and inequality within our region. The total proposed medium term revenue is therefore R1,216 billion to achieve this goal.

An amount of R5.3 billion was allocated to local municipalities in the area of the Cape Winelands District Municipality by the Western Cape Provincial government in addition to the normal grant allocation. The Cape Winelands District Municipality also received a conditional grant in the amount of R400 000 through the Division of Revenue Act [DORA] from the Department of Public Works to create sustainable work opportunities for people in our area.

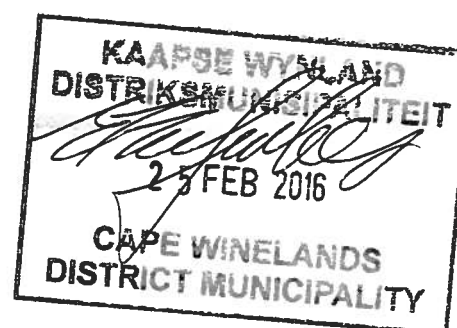
The Cape Winelands District Municipality achieved its second clean audit in the 2014/2015 financial year. I must commend the Municipal Manager, CFO, officials and councillors for their hard work to achieve this. Many people and organisations have complimented us on our achievements through the past four years. In creating a better environment for all our citizens, we were awarded runner-up for the greenest municipality in the province.

A major challenge facing our municipality is the implementation of the Municipal Standard Chart of Accounts (mscoA). We have already started with this process and we are confident that this goal will also be achieved by the due date of 1 July 2017.

Despite the financial challenges encountered by all of the district municipalities in the country, our municipality is financially sound and sustainable, thanks to the financial stewardship of our council and administration.

SUMMARY OF THE BUDGET

The total operating and capital expenditure budget appropriation over the 2016/2017 to 2018/2019 MTREF illustrates as follows:



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2015-2018

	2015/2016 R	2016/2017 R	2017/2018 R	2018/2019 R	Total MTREF R
Operating expenditure	366 973 912	353 316 000	362 332 000	367 442 000	1 083 090 000
Project Expenditure	31 753 550	32 885 090	33 799 000	33 118 000	99 802 090
Sub Total	398 727 462	386 201 090	396 131 000	400 560 000	1 182 892 090
Capital Expenditure	11 016 887	18 494 360	6 164 800	8 426 500	33 085 660
Total Budget	409 744 349	404 695 450	402 295 800	408 986 500	1 215 977 750
% Incr./-Decrease		-1.23	-0.59	1.66	

We have managed to present a break-even budget for the MTREF period as required by National Treasury. The following cost containment measures were implemented:

- Reduced overseas and local travel
- Reduced catering at official functions and meetings
- Improved prioritisation of expenditure
- Heeding the guidelines of National Treasury Circulars numbers 74 and 75.
- Reduced travel and subsistence expenditure

Reflecting on the progress made by the DM thus far, I must compliment the Council for the manner in which it conducts its work, minding the ever present fact of savings in a tight economic climate.

FROM THE MAYOR'S DESK

1. MAYORAL BURSARY FUND

The fund aims to ensure the development of our youth in the Cape Winelands District by providing bursaries for tertiary education to students who would not otherwise have access to those institutions, thereby assisting the development of our community and improving the quality of life.

2. EXTERNAL RELATIONS:

The Cape Winelands District actively encourages the creation of co-operative partnerships and agreements with key stakeholders. This boosts knowledge sharing via best practices and stimulates our local economy. The objective is to create a better Cape Winelands District for all its citizens.

Our External Relations are focus-driven and project based, to ensure measurable outcomes. It is obvious that, as part of cost-containment, we need to know that the monies we spend bring about the appropriate benefits to our region.

Internationally, we enjoy the co-operation of the department of International Relations which assists in co-ordinating our projects to avoid duplication and unnecessary or wasteful expenditure.

We have a very active and positive working relationship with the local municipalities in our district. The district is also represented on various district, provincial and national forums where we meet and exchange information relating to the functioning of our municipality

3. BENEVOLENT FUND

The Benevolent fund aims to support the poorest of the poor in our communities. Due to the current economic climate an overwhelming number of applications is processed on a weekly basis.

CONCLUSION

This budget is the result of consultation with our community through the IDP process and the collective effort of all political parties represented in Council with the united aim of poverty reduction through sustained economic development and growth for all the people in the Cape Winelands District Municipality.

B: RESOLUTIONS

The resolution with regard to the approval of the budget will be submitted with the submission of the 2016/2017 MTREF.

C: EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were again reviewed as part of this year's planning and budget process. The municipality strives to deliver sustainable services to its community without overburdening the consumers with excessive service fees with the key priority of government this year being a "back to basics" approach.

The ten highest risks identified by the strategic planning exercise and approved by Council can be summarised as follows:

Major Risk	Inherent Risk		
	Impact	Likelihood	Rating
Lack of resources	5	5	25
No Firewall security is in place	5	5	25
Not sufficient IP addresses	5	5	25
No ownership for password control	5	5	25
Lack of policies	5	5	25
Weaknesses in the environmental and physical controls	5	5	25
Misstatements in the Annual financial statements	4	5	20
Water quality in the district - river water	4	5	25

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2015-2018

Workload on fire fighting vehicles,	4	5	20
Ageing vehicles exhausting maintenance budget.	4	5	20

For each of the above risk areas the municipality has put mitigating measures in place aligned to the specific department in the budget. These measures will be implemented over the MTREF period.

In addressing the key considerations contained in National Treasury's MFMA Circular 78, the following are highlighted in the budget:

- The municipality cut back on capital and operating expenditure related to the upgrading of rural roads (which is the property of the Provincial Government) to maintain accumulated reserves and ensure long term sustainability of the municipality
- Capital projects were spread out over the MTREF to avoid large fluctuations in spending and ensure that priority is given to projects with high importance
- Tariff increases were kept as low as possible to ensure affordability thereof, whilst keeping in mind the cost of delivering services of a high quality.
- The municipality recognizes the importance of cash reserves and therefor strives to maintain a current ratio of not lower than 2.1(Current Assets : Current Liabilities)

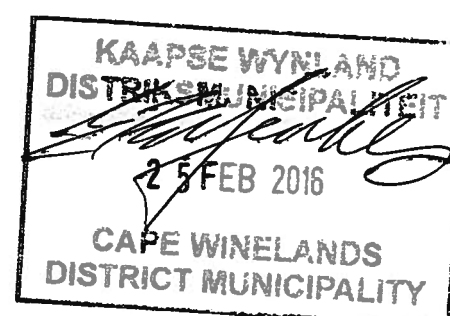
In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/2017 Medium-term Revenue and Expenditure Framework:

OPERATING BUDGET:

YEAR	EXPENDITURE	INCOME	SURPLUS(-) /DEFICIT
2016/ 2017	386 201 090	-386 201 090	0
2017/ 2018	396 131 000	- 396 131 000	0
2018/ 2019	400 560 000	- 400 560 000	0

CAPITAL BUDGET:

YEAR	EXPENDITURE	INCOME	SURPLUS(-) /DEFICIT
2015/ 2016	18 494 360	-18 494 360	0
2016/ 2017	6 164 800	-6164 800	0
2017/ 2018	8 426 500	-8 426 500	0



OPERATING BUDGET – REVENUE

The Cape Winelands District Municipality is reliant on Grant funding as its main source of revenue. This is as a result of the abolishment of the RSC Levies. National Treasury also decreased the Equitable Share allocation over the MTREF period from R6 172 000 to R1 752 000 a decrease of R4 420 000 and increases the RSC replacement grant with only 3% per annum. 7

The following table reflects the revenue sources for the 2015/2016 and 2016/2017 financial years:

Sources of Income	2015/2016	2016/2017	% Inc./-Dec
Miscellaneous Income	-1 562 630.00	-1 731 000.00	10.77
Interest on Investment (Not Certain)	-34 544 900.00	-39 778 090.00	15.15
Public Contributions	-1 402 752.00	-1 766 000.00	25.90
EPWP Programme	-1 000 000.00	-400 000.00	-60.00
Hiring of Toilets	-320 000.00	-360 000.00	12.50
Grants:	-226 655 040.00	-226 849 000.00	0.09
- RSC Replacement Grant	-210 834 000.00	-216 780 000.00	2.82
- Equitable Share	-6 172 000.00	-3 981 000	-35.50
- LG Finance Management Grant	-1 250 000.00	-1 250 000.00	-
- WC Finance Management Grant	-806 200.00	-	-100.00
- Municipal Systems Improvement Grant	-930 000.00	-960 000.00	3.23
- CWDM Integrated Transport Plan	-2 035 810.00	-900 000.00	-55.79
- Non Motorised Transport	-394 186.00	-	-100.00
- Dev. Of Sport and Recreational Facilities	-212 180.00	-219 000.00	3.21
- Community Development Workers	-91 342.00	-76 000.00	-16.80
- DPSA Grant: Farm Dwellers	-988 010.00	-	-100.00
- Greenest Municipality Competition	-50 000.00	-	-100.00
- Performance Management Grant	-236 100.00	-	-100.00
- IDP Support Grant	-136 212.00	-	-100.00
- Audit Support Grant	-135 000.00	-	-100.00
- Rural Roads Asset Man, System (Dora)	-2 384 000.00	-2 683 000	12.54
Working for Water	-4 113 090.00	-4 399 000.00	6.95
Roads Agency Function	-129 129 050.00	-110 918 000.00	-14.10
Total	-398 727 462.00	-386 201 090.00	-3.14

OPERATING BUDGET – EXPENDITURE

The table below illustrates the operating Expenditure for 2015/2016 and 2016/2017 financial years:

Expenditure Categories	2015/2016	2016/2017	% Inc./-Dec.
Employee Related Costs	188 413 736.00	188 210 000	-0.11
Remuneration of Councillors	11 853 220.00	11 587 000.00	-2.25
Depreciation	9 700 550.00	9 313 000.00	-4.00
Finance Charges	29 510.00	27 340.00	-7.35
Repairs and Maintenance	63 085 780.00	45 744 000.00	-27.49
Projects	31 753 550.00	32 885 090.00	3.56
Other Expenditure	93 891 116.00	97 706 570.00	4.06
Total Expenditure	398 727 462.00	385 473 000.00	-3.32

EMPLOYEE RELATED COST

Employee related costs decreased with .11% opposed to the budgeted increase of 7% due to the following:

- Filling of only critical vacancies

Remuneration of Councilors is budgeted for in terms of the Public Office Bearers Act and the approval of the MEC.

DEPRECIATION

The decrease of than 4% is due to Change in useful lives of asset in the 2015/2016 financial year.

PROJECTS

The increase of 3.56% in project expenditure is mainly due to the allocations to the R1.5 million allocation to the five "B" municipalities in Councils are with regard to the hosting of cultural events.

REPAIRS AND MAINTENANCE

The Department of Transport allocated an additional R29.139million to the Roads Agency Function's 2015/2016 budget, hence the sharp decrease of 27.49% in the Repairs and Maintenance budget

CAPITAL BUDGET

The capital budget increase from R 11 016 887 in 2015/2016 to R 18 494 360 in 2016/2017.

The detail is reflected in Table A5 and Annexure "G".

This overall increase is due to the increased capital budgets requested by the following directorates:

- Fire Service
- Technical and Roads Services

D: HIGH LEVEL BUDGET SUMMARY PER VOTE

Vote	Income	Expenditure	-Surplus /Deficit
Economic Development	-	5 890 000	5 890 000
Tourism	-25 000	5 903 090	5 878 090
Land-use and Spatial Planning	-366 000	2 638 000	2 272 000
Working for Water	-4 399 000	5 043 000	644 000
Environmental Planning		797 000	797 000
Corporate Services	-382 000	21 039 000	20 657 000
Office of the Municipal Manager	-	12 843 000	12 843 000
Governance and Councillor Support	-43 797 090	32 360 000	-11 437 090
Financial Services	-219 140 000	24 894 000	-194 246 000
Community & Developmental Service	-428 000	99 416 000	98 988 000
Rural & Social Development	-76 000	17 256 000	17 180 000
Technical Services	-6 441 000	46 975 000	40 534 000
Roads	-111 147 000	111 147 000	-
Total	-386 201 090	386 201 090	-

E: ANNUAL BUDGET TABLES

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached reflecting the composition and detail of the above mentioned amounts.

Budget Summary

Table A1

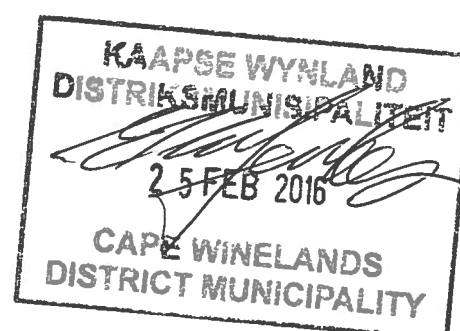
Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Table A2
Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Table A3
Budgeted Financial Performance (Revenue and Expenditure)	Table A4
Budgeted Capital Expenditure by vote, standard classification and funding	Table A5
Budgeted Financial Position	Table A6
Budgeted Cash flows	Table A7
Cash backed reserves/accumulated surplus reconciliation	Table A8
Asset Management	Table A9
Basic Service Delivery Measurement This table were not completed because council does not deliver these kind of services hence no information is also available to complete this table.	Table A10

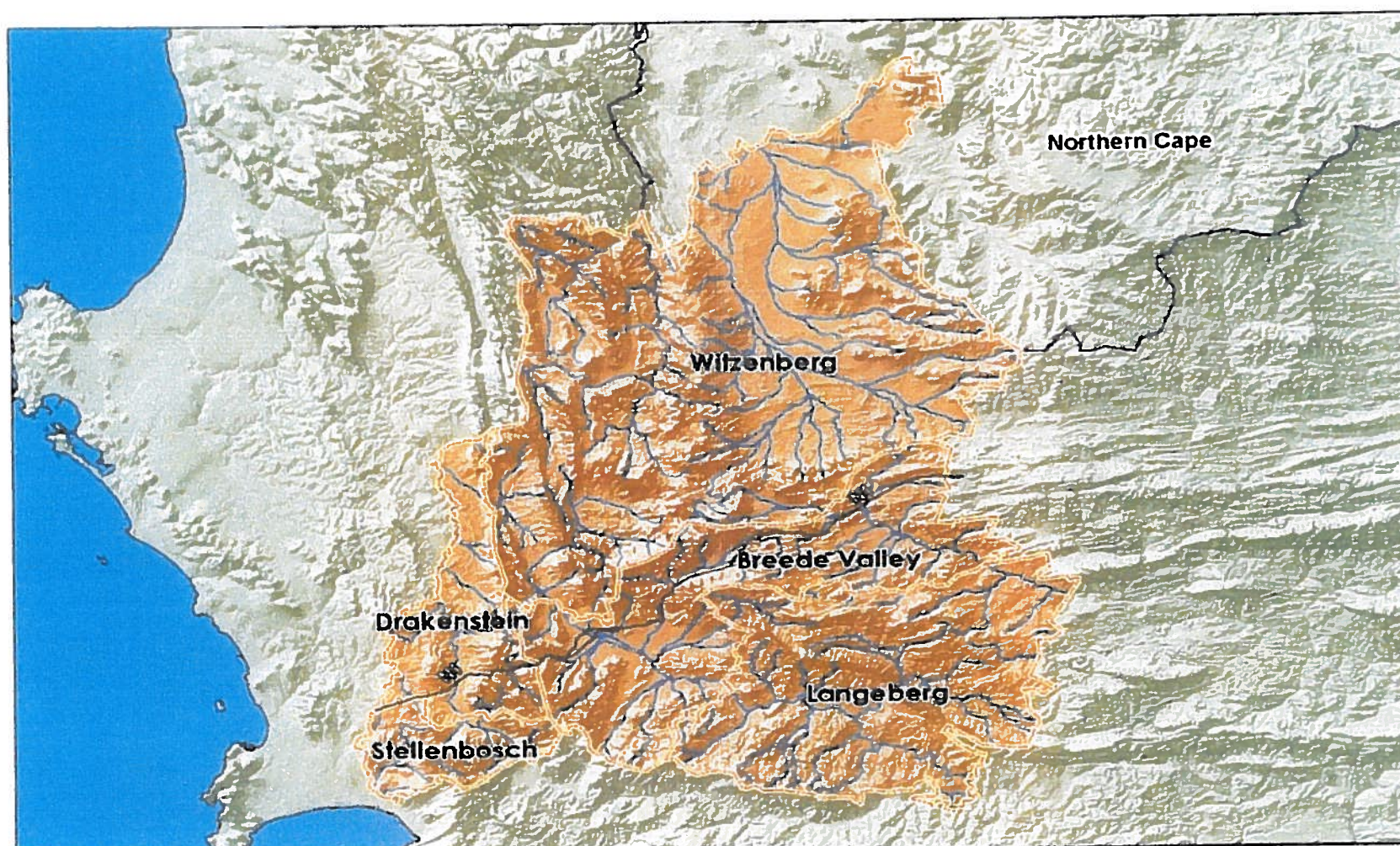
PART 2

A: OVERVIEW OF CAPE WINELANDS DISTRICT MUNICIPALITY

Background

The Cape Winelands District Municipality is situated in the Western Cape Province and is one of 51 district municipalities in South Africa. The Western Cape Province is located in the south-western tip of the African continent, bordering the Northern Cape in the north, the Eastern Cape in the east, the Atlantic Ocean on the west, and the Indian Ocean in the south. The province covers a geographical area of 129 370 km², constituting 10.6% of the total land area of the country.





The Cape Winelands district is situated next to the Cape Metropolitan area and encloses 22 309 km². It is a landlocked area in-between the West Coast and Overberg coastal regions. The district includes five local municipalities, namely Drakenstein, Stellenbosch, Witzenberg, Breede Valley and Langeberg (formally known as Breede River/Winelands). The area is one of the “pearls” of South Africa’s rural and small-town sub-regions, but disparate with a relatively high and diverse level of development.

Economic Profile

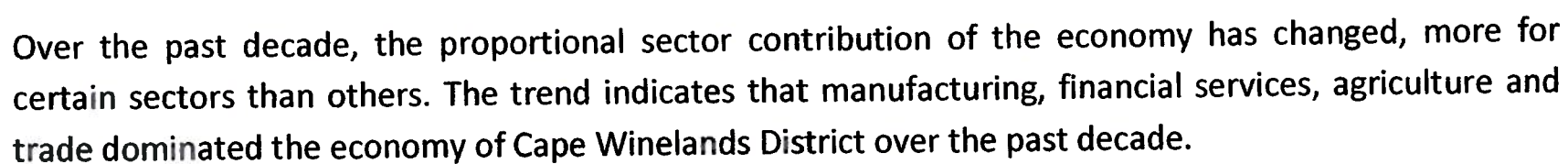
The District’s close proximity to the City of Cape Town and its port is an important factor in its economic growth. The sheltered valleys between mountains in the Cape Winelands are ideal for the cultivation of export-grade fruit such as apples, table grapes, olives, peaches and oranges. With the Cape Winelands District’s large market and the two major export harbours, as well as its natural beauty, well developed tourism, wine and agri-processing and other manufacturing industries, growing financial services and quality education, the District is well placed to participate in the Western Cape economy. The Cape Winelands is the second largest regional economy in the Western Cape, after the City of Cape Town, with a total region gross domestic product GDP-R (constant prices, 2005) of R39,9 billion.

2.3.1 Economic growth

The economic growth experienced fluctuations between 2001 and 2009. 2007 saw a global recession in the global economy, which has had an impact on the economic growth.



GVA-R Sectoral composition
HC02 Cape Winelands DM, 2013



2.3.3 Trade

The Cape Winelands economy is very dependent on exports for growth, which makes the economy vulnerable to exogenous factors such as international trade policies and exchange rate fluctuations. Exports as a percentage of GDP were at 53.9% in 2013.

Graph below illustrates the main destinations to where the Cape Winelands exports commodities. It is evident from the graph that the Cape Winelands exports most of its commodities to European Union (R 9 787 837 837) followed by Asia Pacific countries at R 6 353 822 483. The District's major trading countries are Germany, Netherlands and the United Kingdom which follows the trend of the Western Cape Province.

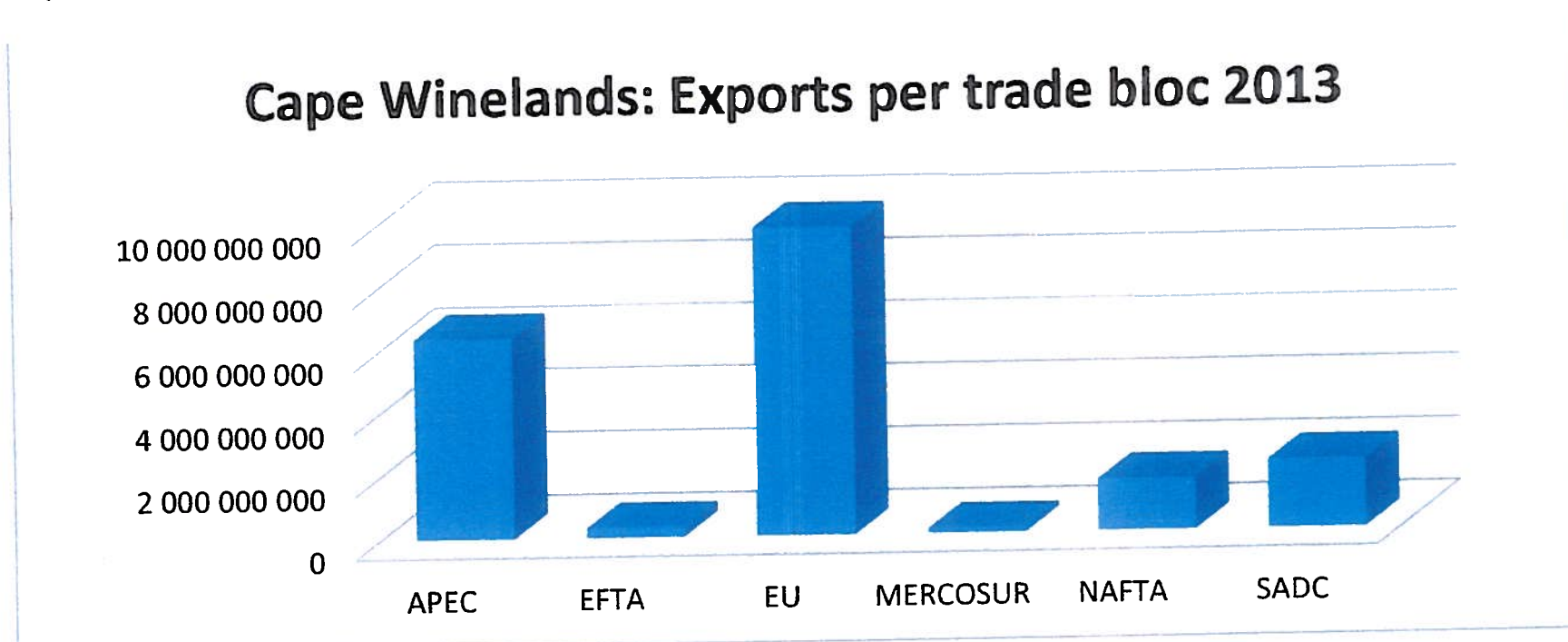


Table below illustrates the total trade profile of the Cape Winelands District and its' Local Municipalities. It is evident from the Table that Stellenbosch Municipality have exported and imported the most goods in Cape Winelands for the year 2013. Total trade for the District were at R36,16 billion with a trade balance surplus of R15,88 billion.

Total Trade profile, 2013	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Exports (R 1000)	26 026 071	984 436	8 583 820	13 997 223	863 227	1 597 364
Imports(R 1000)	10 137 661	59 484	4 627 618	5 027 141	298 681	124 737
Total Trade (R 1000)	36 163 732	1 043 920	13 211 438	19 024 364	1 161 909	1 722 101
Trade Balance (R 1000)	15 888 411	924 952	3 956 202	8 970 082	564 546	1 472 628
Exports as % of GDP	53.9%	20.4%	54.5%	116.8%	7.8%	34.4%
Total trade as % of GDP	74.9%	21.6%	83.9%	158.7%	10.5%	37.1%

Source: IHS Global Insight Regional eXplorer, 2016

Political Structure

Cape Winelands District Municipality is represented by 40 councillors. The Mayoral Committee consists of the Executive Mayor, the Deputy Executive Mayor and 7 councillors. The members of the Mayoral Committee and the Speaker are deemed to be full-time councillors. The situation is as follows:

Political Party	DA	SCA	ACDP	ANC	COPE	NPP
No. of Councilors	23	1	1	13	1	1

The table below presents the Mayco, Speaker and portfolios:

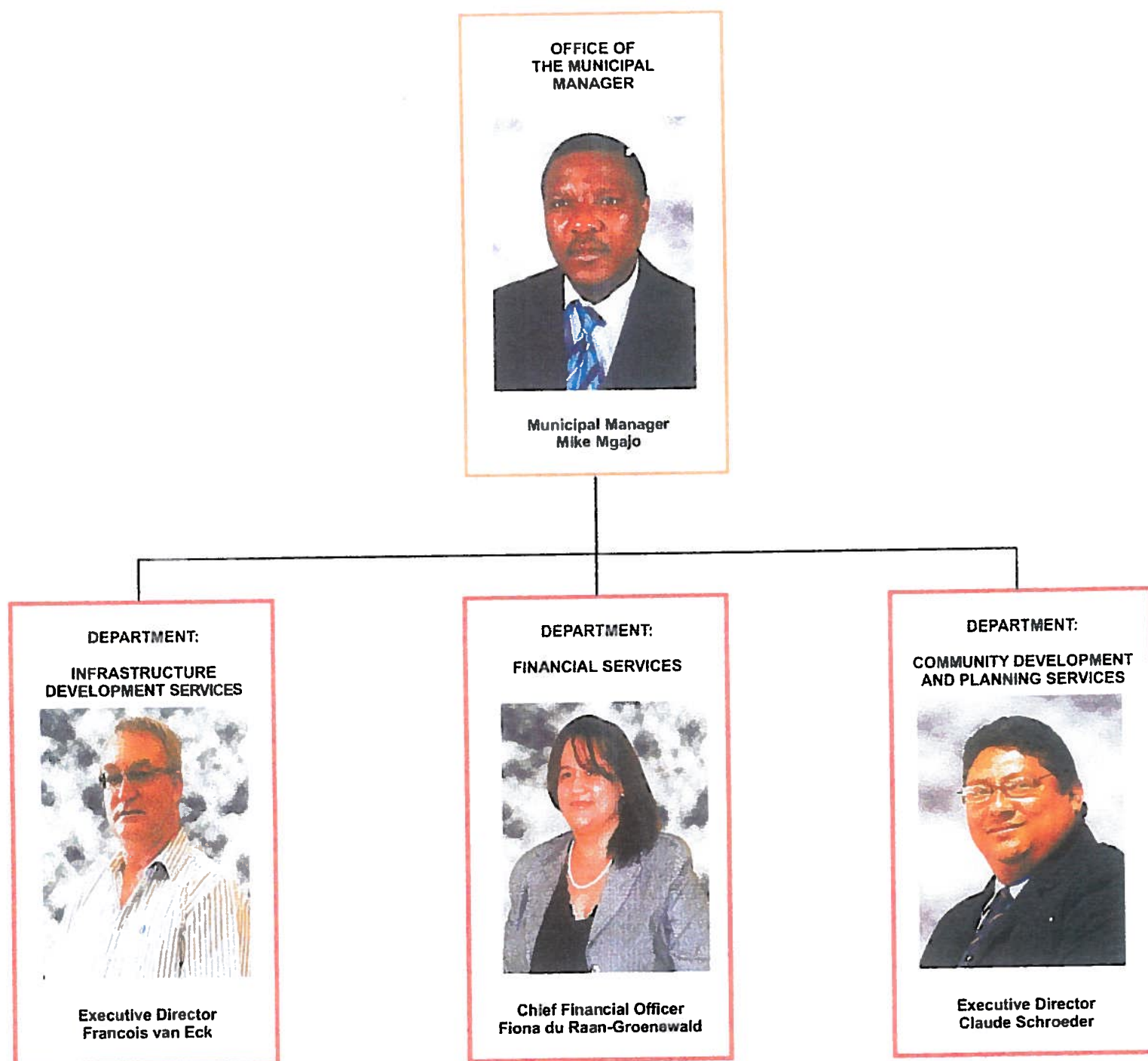
Portfolio	Name	Political Party
Executive Mayor	Cllr Ald. CA de Bruyn	DA
Deputy mayor	Cllr HM Jansen	DA
Speaker	Cllr C Meyer	DA
Engineering and Infrastructure Services	Cllr GJ Carinus	DA
Financial Management Services	Cllr Ald. (DR) NE Kahlberg	DA
Corporate and Human Resource Management Services	Cllr (Dr) H von Schlicht	DA
Social Development/Youth/Disabled	Cllr LX Mdemka	DA
Special Programmes	Cllr RB Arnolds	DA
Tourism and Planning Services	Cllr JJ du Plessis	DA
Technical and Agricultural Services	Cllr JRF Torr	DA

Administration

The Development Priorities of the municipality as contained in the IDP cannot be achieved without people (human resources) and therefore the effective management of human resources makes a vital contribution to achieving these goals. The Cape Winelands District Municipality, through its salary budget, human resource management policies, practices, systems, etc. recognises that its employees are central in realising the vision and mission of the organisation.

There is, therefore, close alignment between the way in which the administration is structured and resourced through its operational and salaries budget, the IDP objectives and the performance targets of the municipality.

The figures below illustrate the macro-structure currently being implemented at the Cape Winelands District Municipality:



B: LEGISLATIVE ENVIRONMENT

Legal Requirements

The medium term revenue and expenditure framework for 2015/2016, 2016/2017 and 2017/2018 was compiled in accordance with the requirements the relevant legislation, of which the following are the most important:

- i) the Constitution, Act 108 of 1996
- ii) the Local Government Transition Act, Act 209 of 1993
- iii) the Municipal Structures Act, Act 117 of 1998
- iv) the Municipal Systems Act, Act 32 of 2000
- v) the Municipal Finance Management Act, Act 56 of 2003

In addition to the above, the Municipal Budget and Reporting Framework as approved on 17 April 2009 gave a clear directive on the prescribed reporting framework and structure to be used.

Guidelines issued by National Treasury

National Treasury issued the following circulars regarding the budget for 2016/2017:

- MFMA Circular No. 78 Municipal Budget Circular for the 2016/2017 MTREF – 7 December 2015

Other circulars used during the compilation of the budget:

- MFMA Circular No. 48 Municipal Budget Circular for the 2009/10 MTREF – 2 March 2009
- MFMA Circular No. 51 Municipal Budget Circular for the 2010/11 MTREF – 19 February 2010
- MFMA Circular No. 54 Municipal Budget Circular for the 2011/12 MTREF – 10 December 2010
- MFMA Circular No. 55 Municipal Budget Circular for the 2011/12 MTREF – 8 March 2011
- MFMA Circular No. 70 Municipal Budget Circular for the 2014/2015 MTREF – 4 December 2013
- MFMA Circular No. 72 Municipal Budget Circular for the 2014/2015 MTREF – 17 March 2014
- MFMA Circular No. 74 Municipal Budget Circular for the 2015/2016 MTREF – 12 December 2014

Other Guidelines:

- National outcomes/priorities
- Headline inflation forecasts
- Revising rates, tariffs and other charges



- Funding choices and management issues
- Conditional transfers to municipalities
- Budget process and submissions for the 2016/17 MTREF

The guidelines provided in the above mentioned circulars, annexures and other economic factors were taken into consideration and informed budget preparation and compilation.

C: OVERVIEW OF ANNUAL BUDGET PROCESS

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

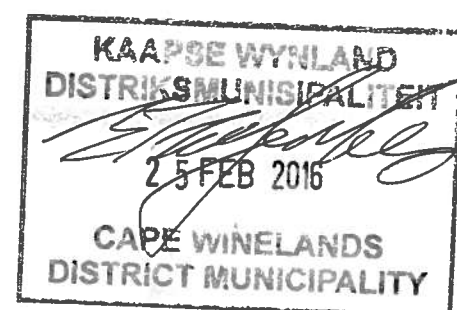
The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1. Budget process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 13 July 2015.



2. IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

With the compilation of the 2016/2017 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear performance against the 2015/2016 Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme.

3. Community Consultation

A full consultation process will be carried out during April 2015. During this process members of the community will be afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable the proposed changes will be incorporated into the final budget to be approved by Council on 28 April 2016.

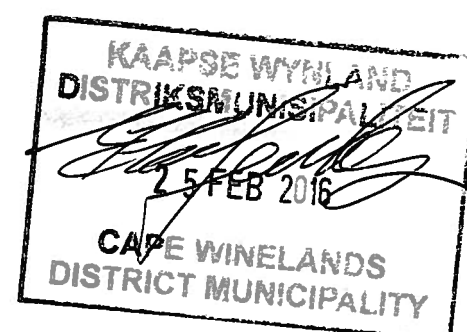
D: OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN (IDP)

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Integrated developmental planning in the South African context is amongst other, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

For more detail with regard to the alignment of the Annual Budget and IDP refer to the attached IDP review document in Annexure E of the Budget.



The strategic goals and resultant focus areas of the IDP are as follow:

Community and Developmental Services 1:

To create an environment and forge partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment

- Provide a comprehensive and equitable Municipal health Service including Air Quality Management throughout the CWDM.
- Ensure coordination of multi-disciplinary and sectoral disaster risk reduction through integrated institutional capacity for Disaster Risk management, Disaster Risk Assessment and Response and Recovery.
- Effective planning and coordination of specialized fire-fighting services throughout the CWDM
- To facilitate environmentally sustainable economic development planning through the development and maintenance of strategic partnerships, investment attraction, retention and opportunities, SMME support and development, skills development and information knowledge.
- To facilitate, ensure and monitor the development and empowerment of the poor by graduating people out of poverty, social inclusion and improving the livelihood of the poor, vulnerable groups, rural farm dwellers and rural communities.

Technical Services 2:

Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities Missions, Exhibitions and Trade Shows

- To comply with the administrative and financial conditions of the Western Cape Government roads agency function agreement.
- To implement sustainable infrastructure services.
- To increase levels of mobility in the whole of the CWDM area.
- To improve infrastructure services for rural dwellers.
- To implement an effective ICT support system.

Financial, Strategic and Administrative Support Services 3:

To provide an effective and efficient financial and strategic support services to the Cape Winelands District.

- To facilitate and enhance sound financial support services
- To strengthen and promote participative and accountable IGR and governance.
- To facilitate and enhance sound strategic support services



E: OVERVIEW OF BUDGET RELATED POLICIES

The following existing policies were reviewed to achieve Council's strategic goals. It will be available for public scrutiny at the Ceres, Paarl, Robertson, Stellenbosch and Worcester offices of Council on 26 March 2015. Only the Asset Management Policy and the Inventory and Stock Management Policy needed to be amended:

Existing Policies

Budget Policy

Cash Management and Investment Policy

Implementation of the Expanded Public Works Program (EPWP) Policy

Funding and Reserves Policy

Appointment of Consultants Policy

Mobile Device Policy

Official Vehicles and Fleet Management Policy

Preferential Procurement Policy

Virement Policy

Combatting Abuse of Supply Chain Management System Policy

Branding Policy

Leave and Unpaid Leave Policy

Asset Management Policy

Contract Management Policy

Private Work: Declaration of Interest; Code of Conduct for Supply Chain Management Practitioners and

Role Players

Petty Cash Policy

Community Support Policy

Appointment of Consultants Policy

Branding Policy

Combatting Abuse of Supply Chain Management System Policy

Corporate Gifts Policy

Expenditure Management Policy

Grant in Aid Policy

Implementation of the Expanded Public Works Program (EPWP) Policy

Internship Policy

Inventory and Stock Management Policy

Leave and Unpaid Leave Policy

Long Term Financial Planning and Implementation Policy

Maintenance Management Policy

Overtime Policy

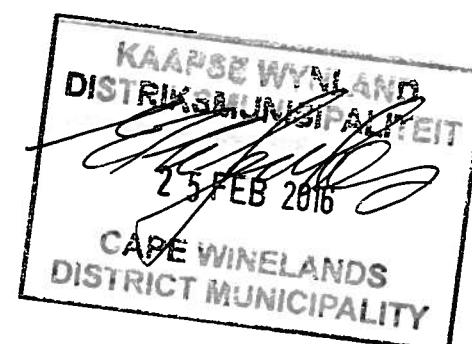
Preferential Procurement Policy

Revenue Management Policy

Sponsorships Policy

Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy

Unforeseen and Unavoidable Expenditure Policy



F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

The following factors have been taken into consideration in the compilation of the 2016/2017 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for electricity, water and fuel; and
- The increase in the cost of remuneration

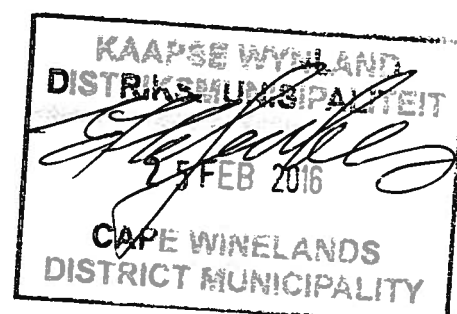
Salary Increases

Employee related costs were increased in accordance with the multi-year Salary and Wage Collective Agreement for the period 1 July 2015 to 30 June 2018.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDP's provincial and national strategies around priority spatial interventions. Therefor the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.



To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

G: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Refer to MBRR SA 19 (to be submitted at the Council Meeting on 25 February 2016).

H: ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Refer to MBRR SA 21 (to be submitted at the Council Meeting on 25 February 2016) and Annexure "I"

I: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Refer to MBRR SA 23 (to be submitted at the Council Meeting on 25 February 2016) and Annexure "F"

J: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

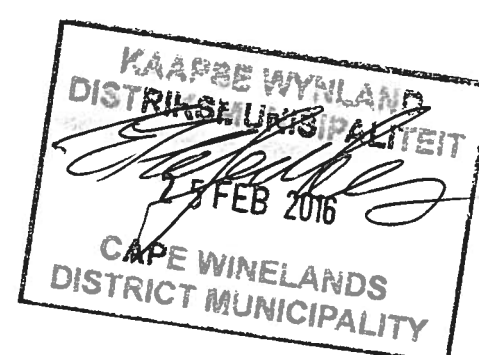
Refer to MBRR SA 25; SA 26; SA27; SA28; SA 29 and SA 30 (to be submitted at the Council Meeting on 25 February 2016) and Annexure "A"

K: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

The municipality did not enter into agreements having future budgetary implications. Refer to MBRR 33.

L: DETAIL CAPITAL BUDGET 2015-2016

Refer to MBRR SA 35, MBRR SA 36 to be submitted as Annexure "G" at the Council Meeting on 25 February 2016.



M: LEGISLATION COMPLIANCE

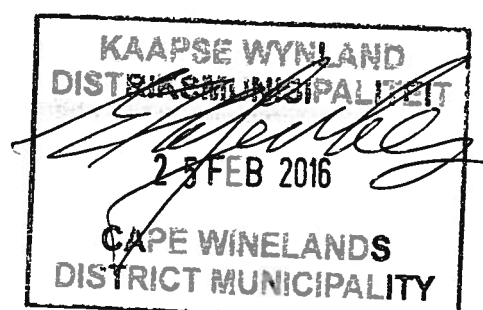
Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office**
A Budget Office and Treasury Office have been established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **Financial reporting**
The municipality is 100% compliant with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Audit Committee**
An Audit Committee has been established and is fully functional.
- **Service Delivery and Budget Implementation Plan**
The detail SDBIP document is at a draft stage and will be finalized after approval of the 2016/2017 MTREF in April 2016.
- **MMC Training**
Most of the senior, middle management and interns have attended the MMC Training (Municipal Minimum Competency Training) conducted by the School of Public Management and Planning (University of Stellenbosch).

N: OTHER SUPPORTING DOCUMENTS

Additional information/schedules in accordance with the budget and reporting regulations as listed below will be submitted to National Treasury.

- SA1 - Supporting detail to Budgeted Financial Performance
- SA2 - Matrix Financial Performance Budget (revenue source/expenditure type)
- SA3 - Supporting detail to Budgeted Financial Position
- SA4 - Reconciliation of IDP strategic objectives and budget (revenue)
- SA5 - Reconciliation of IDP strategic objectives and budget (operational expenditure)
- SA6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)



SA7 - Measurable Performance Objectives Refer to the attached SDBIP document section 8

This SDBIP will only be signed after the approval of the 2015/2016 Budget

SA8 - Performance indicators and benchmarks

SA9 - Social, economic and demographic statistics and assumptions

SA10 - Funding measurement

SA11 - Property Rates Summary - Not applicable

SA12a- Property rates by category - Not applicable

SA12b- Property rates by category - Not applicable

SA13 Service Tariffs by category

SA14 - Household bills - Not applicable

SA15 - Investment particulars by type

SA16 - Investment particulars by maturity

SA17 - Not applicable

SA18 - Transfers and grant receipts

SA20 - Reconciliation of transfers grant receipts and unspent funds

SA24 - Summary of personnel numbers

SA26 - Budgeted monthly revenue and expenditure (municipal vote)

SA27 - Budgeted monthly revenue and expenditure (standard)

SA28 - Budgeted monthly capital expenditure (municipal vote)

SA29 - Budgeted monthly capital expenditure (standard)

SA30 - Budgeted monthly cash flow

SA31 - Not applicable

SA32 - List of external mechanism

SA34a- Capital expenditure on new asset class

SA34b- Capital expenditure on the renewal of existing assets by asset class

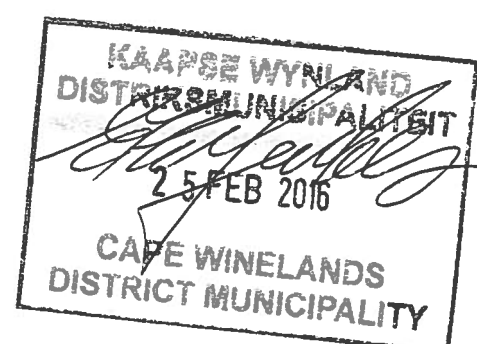
SA34c- Repairs and maintenance expenditure by asset class

SA34d Depreciation by asset class

SA35 - Future financial implications of the capital budget

SA36 - Detailed Capital Budget

SA37 - Not applicable

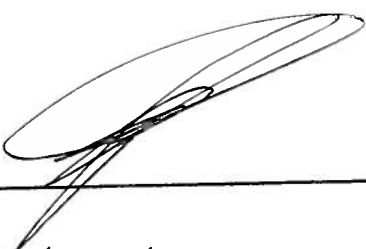


O: QUALITY CERTIFICATE

I, M. MGAJO..... Municipal Manager of Cape Winelands District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: M. MGAJO

Municipal Manager of Cape Winelands District Municipality

Signature 
Date 25/02/2016

